

# **Guidance on the Rural Education Achievement Program (REAP)**

**U.S. Department of Education**

**June 2003**

## ***RURAL EDUCATION ACHIEVEMENT PROGRAM GUIDANCE***

This document provides guidance on all parts of the Rural Education Achievement Program (REAP): the Small Rural School Achievement Program (SRSA), including REAP-Flex, and the Rural and Low-Income School Program (RLIS). The focus of this document is implementation of educational programs under REAP. The intended audience for this guidance is administrators of local educational agencies that may use or receive funds under this program, and State educational agency personnel who provide oversight and technical assistance under this program.

Readers should first review the introduction to the program, and then proceed to the section that addresses the program under which they use or receive funds. For information regarding eligibility for these programs, the statutory funding formulas, accessing SRSA funds, and a discussion on REAP-Flex and the Transferability provisions under the No Child Left Behind Act of 2001, please review the appendices at the end of this guidance.

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# **GUIDANCE ON THE RURAL EDUCATION ACHIEVEMENT PROGRAM**

**DRAFT – April 2003**

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## **I. INTRODUCTION**

### **I-A-1. What is the purpose of the Rural Education Achievement Program?**

The Rural Education Achievement Program (REAP) is designed to assist rural school districts in using Federal resources more effectively to improve the quality of instruction and student academic achievement. It consists of two separate programs – the Small, Rural School Achievement (SRSA) program and the Rural and Low-Income Schools (RLIS) program.

The SRSA program provides eligible local educational agencies (LEAs) with greater flexibility in using the formula grant funds that they receive under certain State-administered Federal programs. (*See “REAP-Flex” discussion in Parts II-A and II-B of this guidance.*) It also authorizes formula grant awards directly to these LEAs to support a wide range of local activities that support student achievement. (*See SRSA grant program discussion in Parts II-A, II-C, and II-D.*)

The RLIS program authorizes formula grant awards to State educational agencies (SEAs), which in turn make subgrants to eligible LEAs either competitively or by formula. LEAs may use RLIS funds to support a broad array of local activities to support student achievement. (*See RLIS program discussion in Part III.*)

An LEA that is eligible to participate in the SRSA program may not receive funding under the RLIS program. (*See item III-A-2 in this guidance.*)

### **I-A-2. What is the legislative authority for REAP?**

REAP is authorized under Part B of Title VI of the Elementary and Secondary Education Act (ESEA), as amended by the No Child Left Behind Act of 2001.

## **II. SMALL, RURAL SCHOOL ACHIEVEMENT PROGRAM**

### **II-A. INTRODUCTION AND ELIGIBILITY**

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#### **II-A-1. What is the Small, Rural School Achievement program (SRSA)?**

The SRSA program is a rural school initiative with two components –

##### *(1) REAP-Flex – the Alternative Uses of Funds Authority*

The SRSA alternative uses of funds authority, which is referred to as “REAP-Flex” in this guidance, provides eligible LEAs with greater flexibility in using the formula grant funds that they receive under certain State-administered Federal programs. This portion of the SRSA program is not a grant program; it does not provide LEAs with funding. Rather, it gives them greater latitude in spending funds that they receive under other Federal programs so that they can better address their particular needs. (*See* Section 6211 of the ESEA.)

##### *(2) The SRSA grant program*

An LEA that is eligible to participate in REAP-Flex is also eligible for a grant under the SRSA grant program. The US Department of Education awards SRSA funds directly to eligible LEAs on a formula basis. (*See* Section 6212 of the ESEA.)

#### **II-A-2. Are the eligibility requirements the same for both components of the SRSA program (i.e., REAP-Flex and the SRSA grant program)?**

Yes. The eligibility requirements are the same.

#### **II-A-3. What LEAs are eligible to participate in REAP-Flex and the SRSA grant program?**



To be eligible to participate in REAP-Flex and the SRSA grant program, an LEA must –

- (1) have a total average daily attendance (ADA) of less than 600 students, *or* serve only schools that are located in counties that have a population density of fewer than 10 persons per square mile; *and*
- (2) serve only schools that have an NCES school locale code of 7 or 8 (assigned by the US Department of Education’s National Center for Education Statistics) *or* be located in an area of the State defined as rural by a governmental agency of the State. (In instances in which a State agency defines the area in which an LEA is located as rural, the U.S. Department of Education must agree to the rural designation before the LEA may participate in either REAP-Flex or the SRSA grant program.)

(NOTE: More detailed guidance on LEA eligibility under the SRSA program (i.e., REAP-Flex and the SRSA grant program) is provided in Appendix A.)

**II-A-4. Is there a minimum or maximum length of time for which an LEA may participate in the SRSA program?**

The US Department of Education anticipates that an LEA participating in either part of the SRSA program (i.e., REAP-Flex or the SRSA grant program) will commit to do so for an initial period of three years. If student performance data justifies an extension, the LEA would have the option of continuing to participate in the program for an additional three-year period.

**II-A-5. If an eligible LEA merges with another LEA, is it still eligible to participate in the SRSA program?**

The newly formed LEA is eligible to participate in the SRSA grant program only if it meets the eligibility requirements listed in II-A-3.

**II-A-6. If an eligible LEA is reorganized into two or more LEAs, are the newly formed LEAs eligible to participate in the SRSA program?**

The newly formed LEAs are eligible to participate in the SRSA grant program only if they meet the eligibility requirements listed in II-A-3

## **II-B. REAP-FLEX**

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### **II-B-1. What is REAP-Flex?**

“REAP-Flex” is the term that the U.S. Department of Education has given to the “alternative uses of funds” authority under the Small, Rural School Achievement program. This authority provides flexibility to eligible rural LEAs (*see* discussion in II-A-3) to use specific Federal formula funds (i.e., each LEA’s “applicable funding”) to support local activities under an array of Federal programs in order to assist them in addressing local academic needs more effectively. (*See* section 6211 of the ESEA.)

REAP-Flex does not involve a transfer of funds from one program to another. Rather, REAP-Flex gives an LEA broader authority in spending “applicable funding” for alternative uses under selected federal programs. On the other hand, when an LEA transfers funds from one program to another under the transferability authority in section 6123, the transferred funds increase the allocation of the receiving program and are subject to all of the rules and requirements of the receiving program. (*See* Appendix B.)

### **II-B-2. What is “applicable funding?”**

“Applicable funding” is the funding for which an eligible LEA may exercise its REAP-Flex authority. Specifically, “applicable funding” includes all funds allocated by formula to an eligible LEA under the following programs:

- (1) Subpart 2 of Part A of Title II (Improving Teacher Quality State Grants);
- (2) Part D of Title II (Educational Technology State Grants);
- (3) Part A of Title IV (Safe and Drug-Free Schools and Communities); and
- (4) Part A of Title V (State Grants for Innovative Programs).

NOTE: In order to receive its funds under one of the above-listed programs, an LEA must meet the relevant application and eligibility requirements, regardless of whether it intends to use the funds for alternative uses under the REAP-Flex authority. For example, an LEA must have a technology plan that meets the requirements of Part D of Title II in order to receive its allocation under that program, even if it intends to use all of that allocation for another purpose authorized under the REAP-Flex legislation.

### **II-B-3. For what purposes may an LEA with REAP-Flex authority use its “applicable funding”?**

An LEA with REAP-Flex authority may use all or part of its “applicable funding” for local activities authorized under one or more of the following ESEA programs<sup>1</sup>:

- (1) Part A of Title I (Improving the Academic Achievement of the Disadvantaged);
- (2) Part A of Title II (Improving Teacher Quality State Grants);
- (3) Part D of Title II (Educational Technology State Grants);
- (4) Title III (Language Instruction for Limited English Proficient and Immigrant Students);
- (5) Part A of Title IV (Safe and Drug-Free Schools and Communities);
- (6) Part B of Title IV (21<sup>st</sup> Century Community Learning Centers); and
- (7) Part A of Title V (State Grants for Innovative Programs).

(*Note:* The list of ESEA programs under which an LEA is authorized to conduct REAP-Flex activities is more extensive than the sources from which an LEA’s “applicable funding” is derived. (*Compare* II-B-3 *with* II-B-2.) An LEA may also use SRSA grant funds for authorized local activities under the same seven programs listed above. (*See* II-D-1.))

### **II-B-4. Does an eligible LEA need the approval of its SEA or the U.S. Department of Education before exercising REAP-Flex authority?**

No. An LEA that meets the eligibility requirements of the SRSA program may exercise REAP-Flex authority without the approval of either its SEA or the U.S. Department of Education. However, before exercising REAP-Flex authority, an eligible LEA must annually notify its SEA of its intent to do so by the notification deadline established by the SEA. Furthermore, in instances in which SRSA eligibility is based, in part, on a State agency’s designation of the area in which an LEA is located as rural, the US Department of Education must agree to the rural designation before the LEA may participate in REAP-Flex. (*See* II-A-3.)

While an LEA that meets the SRSA program requirements does not have to apply to the US Department of Education before exercising its REAP-Flex authority, it must apply to the US Department of Education to receive an SRSA grant award. (*See* II-C-5.)

### **II-B-5. In exercising REAP-Flex authority, does an LEA have to meet set-aside requirements of the programs under which the “applicable funding” is used?**

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<sup>1</sup> Additional information on these programs is available on the Department’s web site at [www.ed.gov](http://www.ed.gov).

No. Under REAP-Flex, an LEA must spend its “applicable funding” on local activities authorized under one or more of the programs listed in II-B-3, but does not have to meet the set-aside requirements of those programs.

For example, with REAP-Flex, an LEA may use funds under the Safe and Drug-Free Schools Program (Title IV, Part A) to incorporate technology into its early reading program— an authorized local activity under the Educational Technology State Grant (Title II, Part D). The Title IV funds would have to be used for authorized Ed Tech local activities, but the funds would not be subject to the Title II, D requirement to set aside 25% of funds for professional development activities.

**II-B-6. Must an LEA exercising REAP-Flex authority use all of its “applicable funding” to carry out local activities authorized under other programs?**

No. An LEA may use all or part of the funds made available under the “applicable funding” programs for authorized local activities under other programs.

**II-B-7. May an LEA use REAP-Flex to carry out activities under more than one of the authorized programs?**

Yes. REAP-Flex permits an LEA to use its “applicable funding” to carry out activities authorized under one or more of the programs listed in II-B-3. REAP-Flex is intended to assist a participating LEA in ensuring that all students meet academic achievement standards as measured by the definition of adequate yearly progress (AYP) in each State’s accountability system. (*See* section II-E of the guidance.) Therefore, in determining how best to use its applicable funding under REAP-Flex, an LEA should consider whether the planned activities would assist it in meeting its State’s definition of AYP.

**II-B-8. If an LEA does not receive funds under one of the programs listed in II-B-3, may the LEA use its “applicable funding” for local activities authorized under that listed program?**

Yes. An LEA may use its “applicable funding” for authorized activities under any of the programs listed in II-B-3. For example, a district that does not receive funds under Part A of Title I may nonetheless use its applicable funding for Title I activities.

**II-B-9. May an LEA use its “applicable funding” to hire teachers?**

Yes. The hiring of highly qualified teachers is an allowable local activity under several of the programs in II-B-3.

**II-B-10. May an LEA use its “applicable funding” to purchase computers, software or other technology equipment?**

Yes. Purchasing computers, software or other technology equipment is an allowable activity under Title II, Part D, as long as the purpose of this activity is to integrate technology effectively into curriculum and instruction in order to improve student academic achievement.

**II-B-11. Under Part A of Title I, an LEA is required to spend an amount equal to 20% of its Title I, Part A allocation to provide transportation for public school choice or to support supplemental educational services for students in schools identified under Section 1116 as being in need of improvement, corrective action, restructuring. May an LEA use its RLIS grant funds to meet this requirement?**

Yes.

**II-B-12. What are the responsibilities of an SEA with regard to REAP-Flex?**

An SEA should notify potential LEAs of the availability of this flexibility authority and disseminate this or other guidance to them. Furthermore, the SEA must establish a deadline by which LEAs will notify the SEA that they will participate in the REAP-Flex initiative. In addition, the SEA must disburse the “applicable funding” to LEAs that intend to exercise REAP-Flex authority at the same time that the SEA disburses the applicable funding to LEAs that do not intend to participate in REAP-Flex.

In accordance with the U.S. Department of Education’s General Administrative Regulations (EDGAR), the SEA also has administrative responsibilities over REAP-Flex. The SEA will be required to report expenditures under the programs included in the “applicable funding” at the formula program levels (as identified by the Catalog of Federal Domestic Assistance). For example, if funds from Title II-A are used for the purpose of Title II-D, the SEA must still report the expenditure under Title II-A.

An SEA is responsible for ensuring that LEAs comply with the SRSA program’s accountability provisions. Pursuant to section 6213 of the ESEA, after the third year of participation an SEA must make determinations regarding an LEA’s continuing participation in both REAP-Flex and the SRSA grant program. (*See Part II-E of this guidance*).

The SEA must also provide to the US Department of Education, for its approval, a list of LEAs located in areas defined as rural by a State agency, as well as the definition of “rural.”

### **II-B-13. What are the responsibilities of an LEA that participates in REAP-Flex?**

By the SEA-established deadline, an eligible LEA must notify its SEA that it intends to use all or part of its “applicable funding” (*see* II-B-2) to carry out activities authorized under one or more of the programs listed in II-B-3. Because the overarching purpose of REAP-Flex is to help eligible LEAs meet the State’s definition of adequate yearly progress (AYP) and better address local academic needs, the US Department of Education strongly encourages participating LEAs to consider how funds combined under REAP-Flex can support implementation or strengthening of local education plans or strategies that will lead to the improvements that an LEA needs to meet AYP. (See B-II-7)

To comply with the General Education Provisions Act (GEPA) recordkeeping requirements, an LEA must maintain records demonstrating that the “applicable funding” was expended under REAP-Flex and how those funds were used. An LEA must report to its SEA on the uses of the applicable funding as part of the LEA’s ongoing reporting under the programs included in the applicable funding.

Accountability is an essential component of REAP-Flex. Participating LEAs must comply with the accountability requirements in section 6213 of the legislation. (*See* Part II-E of this guidance.)

### **II-B-14. How does an LEA’s participation in REAP-Flex affect the equitable participation of private school students and teachers?**

Participation in REAP-Flex does not relieve an LEA of its responsibility to provide for equitable services for private school students and teachers relative to the “applicable funding” (i.e., formula funds under Parts A and D of Title II, Part A of Title IV, and Part A of Title V) that the LEA receives. (See ESEA Section 5142 and 9501.) An LEA participating in REAP-Flex should reserve for the benefit of private school students and teachers the applicable funding that is generated by private school students. The total amount of funding that is used for the benefit of private school students and teachers is not affected by an LEA’s participation in REAP-Flex.

After timely and meaningful consultation with private school officials, an LEA participating in REAP-Flex determines how the reserved funds will be expended for the benefit of private school students and teachers. Like the funds used for public school students and teachers, the applicable funding reserved for private school students and teachers may be combined in whole or in part and used for local activities under one or more of the ESEA programs listed in II-B-3.

Funds for private school students and teachers need not be expended under the same programs as funds for public school students and teachers and should serve to meet the needs of the private school students and teachers. For example, applicable funding may be used to provide technology for public schools under Part D of Title II and professional development for private school teachers under Part A of Title II. Furthermore, an LEA need not include the same funding sources or combination of funds in the applicable funding that is used for private school students and teachers as it does for public schools. For example, even if an LEA includes all available funding sources in the applicable funding for public schools, it could provide Title V, Part A services for private school students from Title V, Part A funds (that is, it could retain a portion of its Title V, Part A funds in Title V, Part A for that purpose). Thus, in order to afford private school students maximum flexibility, it is essential that the LEA engage in timely and meaningful consultation with private school officials.

An eligible LEA that does not exercise REAP-Flex authority for its students may nevertheless exercise that authority on behalf of private school students,

**II-B-15. Would an LEA eligible for REAP-Flex need to exercise transferability authority under section 6123?**

No. Because REAP-Flex covers the same programs as transferability and provides LEAs with greater flexibility, an LEA that is eligible for REAP-Flex would not need to exercise transferability authority. (For a detailed comparison of REAP-Flex and transferability, *see* Appendix B.)

**II-C. Allocation of funds under the SRSA Grant Program**

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**II-C-1. How does the US Department of Education calculate the amount of SRSA grant funds that an eligible LEA will receive?**

The US Department of Education calculates the SRSA grant allocation of an eligible LEA on the basis of a statutory formula. (*See* Section 6212(b) of the ESEA.) Under this formula, the US Department of Education determines an initial allocation that takes into consideration the number of students in average daily attendance (ADA) in the schools served by the LEA, and then subtracts from the initial calculation the total amount of funds received by the LEA under certain Federal formula grant programs in the previous fiscal year. (For additional guidance on the SRSA grant formula, *see* Appendix C.)

**II-C-2. May an LEA that meets the eligibility requirements of the SRSA grant program seek funding under the Rural and Low-Income Schools program?**

No. If an LEA meets the eligibility requirements of the SRSA program, it may not receive an allocation under the Rural and Low-Income Schools program even if it does not receive an award under the SRSA grant program. (See ESEA Section 6212(d)).

**II-C-3. May an LEA that meets the eligibility requirements of the SRSA program but does not receive an SRSA grant still exercise REAP-Flex authority?**

Yes. Each LEA that meets the SRSA eligibility requirements – whether or not it receives an SRSA grant or even applies for SRSA funding – may invoke the REAP-Flex authority. As stated in II-A-2, the eligibility requirements are the same for both components of the SRSA program (i.e., REAP-Flex and the SRSA grant program).

**II-C-4. Does the US Department of Education allocate SRSA grant funds directly to LEAs or do the funds flow through States?**

By statute, the US Department of Education makes SRSA grant allocations directly to eligible LEAs on the basis of the statutory formula in section 6212(b) of the ESEA.

**II-C-5. Does an eligible LEA have to apply for an SRSA grant in order to receive funding under the program?**

Yes. The US Department of Education awards SRSA grants only to those LEAs that submit an application by the established deadline.

**II-C-6. How does an LEA access its SRSA grant allocation?**

Detailed information on accessing SRSA funds is included in Appendix D of the guidance.

**II-D. Uses of Funds awarded under the SRSA Grant Program**

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#### **II-D-1. For what purposes may an LEA use SRSA grant funds?**

An LEA may use the funds that it receives under the SRSA grant program to carry out local activities authorized under the following provisions:

- (1) Part A of Title I (Improving the Academic Achievement of the Disadvantaged);
- (2) Part A of Title II (Improving Teacher Quality State Grants);
- (3) Part D of Title II (Educational Technology State Grants);
- (4) Title III (Language Instruction for Limited English Proficient and Immigrant Students);
- (5) Part A of Title IV (Safe and Drug-Free Schools and Communities);
- (6) Part B of Title IV (21<sup>st</sup> Century Community Learning Centers); and
- (7) Part A of Title V (State Grants for Innovative Programs).

(NOTE: These are the same programs under which an LEA may use its “applicable funding” when exercising REAP-Flex authority. (See II-B-3.))

#### **II-D-2. May an LEA use its SRSA grant funds to carry out activities under more than one of the programs listed in II-D-1?**

Yes. An LEA may use its SRSA grant funds to carry out activities authorized under one or more of the programs listed in II-D-1. The SRSA grant program is intended to assist a participating LEA in meeting its State’s definition of adequate yearly progress (AYP). (See section II-E of the guidance.) Therefore, in determining how best to use its SRSA grant funds, an LEA should consider whether the planned activities would assist it in meeting its State’s definition of AYP.

#### **II-D-3. If an LEA does not receive funds under one of the programs listed in II-D-1, may the LEA use SRSA grant funds for local activities authorized under that listed program?**

Yes. An LEA may use its SRSA grant funds for authorized activities under any of the programs listed in II-D-1.

#### **II-D-4. May an LEA use its SRSA grant funds to support transportation for public school choice or to support supplemental educational services under Part A of Title I?**

Yes. An LEA may use its SRSA grant funds to provide transportation for public school choice or to support supplemental educational services to students as authorized under Part A of Title I.

**II-D-5. Under Part A of Title I, an LEA is required to spend an amount equal to 20% of its Title I, Part A allocation to provide transportation for public school choice or to support supplemental educational services for students in schools identified under Section 1116 as being in need of improvement, corrective action, restructuring. May an LEA use its SRSA grant funds to meet this requirement?**

Yes.

**II-D-6. May an LEA use its SRSA grant funds to hire teachers?**

Yes. The hiring of highly qualified teachers is an allowable local activity under several of the programs in II-D-1.

**II-D-7. May an LEA use its SRSA grant funds to purchase computers, software or other technology equipment?**

Yes. Purchasing computers, software or other technology equipment is an allowable activity under Title II, Part D, as long as the purpose of this activity is to integrate technology effectively into curriculum and instruction in order to improve student academic achievement.

**II-D-8. Must an LEA use SRSA grant funds only to supplement, and not supplant, other Federal, State, and local education funds?**

Yes. An LEA must use SRSA grant funds only to supplement, and not supplant, other education funds.

**II-D-9. In using SRSA grant funds, does an LEA have to provide for the equitable participation of private school students and teachers?**

No. The equitable participation requirements in Part E of Title IX of the ESEA do not apply to funds allocated under the SRSA grant program. (*See* section 9501(b)(1) of the ESEA.) However, the equitable participation requirements do apply to the “applicable funding” under REAP-Flex. (*See* II-B-13.)

#### **II-D-10. How long does an LEA have to use its SRSA grant funds?**

An LEA may obligate SRSA grant funds during the federal fiscal year for which the funds were appropriated and during the succeeding federal fiscal year. For example, FY 2002 SRSA funds were awarded for the initial period of July 1, 2002 through September 30, 2003. An LEA may carry over to the succeeding fiscal year any funds not obligated by September 30, 2003. Those fiscal year 2002 funds remain available for obligation through September 30, 2004. (The regulations at 34 CFR 76.707 provide examples of when an “obligation” occurs for various types of activities.) An LEA may liquidate an obligation for three months after the close of the obligation period.

### **II-E. SRSA ACCOUNTABILITY AND REPORTING REQUIREMENTS**

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#### **II-E-1. What assessment requirements apply to LEAs participating in REAP-Flex or the SRSA grant program?**

LEAs participating in REAP must administer an assessment that is consistent with the assessment requirements in Sec. 1111 (b)(3) of the ESEA. Thus, an LEA that participates in REAP-Flex or receives funding under the SRSA grant program may use the assessment system that the State uses to fulfill Title I requirements to meet the REAP accountability requirements.

#### **II-E-2. What responsibilities does an SEA have regarding an LEA’s continuing participation in the SRSA program (i.e., REAP-Flex or the SRSA grant program)?**

An SEA must review the annual assessment data provided by each LEA under the SRSA program and, after the third year of an LEA’s participation in either REAP-Flex or the SRSA grant program, determine whether the LEA meets the State’s definition of adequate yearly progress (AYP). SEAs may allow LEAs that fail to make AYP to continue to participate in the SRSA program only if the LEA uses all “applicable funding” (i.e., funds that the LEA receives by formula under Parts A and D of Title II, Part A of Title IV, and Part A of Title V) and SRSA grant funds to carry out the improvement requirements of section 1116 of the ESEA. That section discusses the activities that LEAs must carry out with respect to schools that do not make AYP.

**II-E-3. May an LEA that fails to meet its State’s definition of AYP after three years continue to participate in REAP-Flex and the SRSA grant program?**

Yes. An LEA that fails to meet its State’s definition of AYP after three years may continue to participate in REAP-Flex and the SRSA grant program if it uses all of its “applicable funding” (i.e., funds that the LEA receives by formula under Parts A and D of Title II, Part A of Title IV, and Part A of Title V) and SRSA grant funds to carry out improvement requirements of section 1116 of the ESEA.

An LEA that does not desire to use all of its “applicable funding” and SRSA grant funds to carry out the requirements of section 1116 may not exercise the SRSA-Flex authority and may not receive subsequent SRSA grant awards.

**II-E-4. Does an LEA lose its “applicable funding” if, after three years of participation in the SRSA program, it fails to meet its State’s definition of AYP?**

No. An LEA does not lose any of its “applicable funding” if it fails to meet its State’s definition of AYP. However, as stated in II-E-3, an LEA that fails to meet AYP after three years may continue to participate in REAP-Flex and the SRSA grant program only if it uses all of its “applicable funding” and its SRSA grant allocation for Title I school improvement activities.

**II-E-5. What are the reporting responsibilities of SEAs and LEAs that participate in REAP-Flex or the SRSA grant program?**

Eligible LEAs that exercise REAP-Flex authority must report to their SEA on their use of “applicable funding” (i.e., funds that an LEA receives by formula under Parts A and D of Title II, Part A of Title IV, and Part A of Title V) in the manner required by the SEA, whether or not they received an allocation under the SRSA grant program. The US Department of Education will establish State-level reporting requirements concerning “applicable funding” under REAP-Flex as part of the consolidated ESEA State performance report currently under development.

The US Department of Education will also establish separate reporting requirements for those LEAs that receive allocations under the SRSA grant program. This report, currently under development, will most likely be collected using the Internet, and the US Department of Education will make every effort to minimize the reporting burden.

### **III. Rural and Low-Income Schools Program**

#### **III-A. Introduction and Eligibility**

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##### **III-A-1. What is the Rural and Low-Income Schools program?**

The Rural and Low-Income Schools (RLIS) program is an initiative that provides grant funds to rural LEAs that serve concentrations of children from low-income families. Under the RLIS program, the US Department of Education awards funds by formula to SEAs, which in turn make subgrants to LEAs either by formula or competitively.<sup>2</sup> (See III-B-4.) An LEA may use RLIS funds to support a range of authorized activities in order to assist the LEA in meeting its State's definition of adequate yearly progress.

##### **III-A-2. What LEAs are eligible to receive funds under the RLIS program?**

An LEA is *eligible* for an allocation under the RLIS program if –

- (1) 20 percent or more of the children age 5 to 17 served by the LEA are from families with incomes below the poverty line;
- (2) all schools served by the LEA have a school locale code of 6, 7, or 8 (assigned by the US Department of Education's National Center for Education Statistics; see Appendix A for discussion of these locale codes); *and*
- (3) the LEA is *not* eligible to participate in the SRSA program. (The eligibility requirements of the SRSA program are stated in II-A-3.)

Not all LEAs that are eligible for an RLIS award will necessarily receive a grant, especially in States in which the SEA chooses to award RLIS subgrants on a competitive basis.

Additional guidance on LEA eligibility under the RLIS program and on State application requirements is provided in Appendix E.

#### **III-B. ALLOCATION OF RLIS FUNDS TO STATES AND LEAs**

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<sup>2</sup> If an SEA elects not to participate in the RLIS program, the Department awards RLIS funds directly to eligible LEAs in that State. (LEAs that receive direct grants under the RLIS program are referred to as "specially qualified agencies" in the legislation.) However, all States are currently participating in the RLIS program, and eligible LEAs are awarded subgrants through their SEA rather than through direct grants from the Department.

### **III-B-1. How does the US Department of Education allocate RLIS funds to States?**

The US Department of Education allocates RLIS funds to States by formula. The amount of funding a State receives is based on its proportionate share of children in average daily attendance in all LEAs eligible to participate in the RLIS program. (As noted in footnote 2, every State with an eligible LEA is participating in the RLIS program.)

### **III-B-2. Are the Bureau of Indian Affairs (BIA) and the outlying areas eligible for RLIS funds?**

Yes. The US Department of Education reserves for the BIA one-half of 1 percent of the amount of RLIS funds that Congress appropriates each year; the US Department of Education reserves an equal amount for the outlying areas: American Samoa, Guam, Northern Marianas, and the Virgin Islands.

### **III-B-3. May a State reserve a portion of its RLIS allocation for administrative expenses or to provide technical assistance?**

Yes. A State may reserve up to 5 percent of its allocation under the RLIS program for administrative costs and to provide technical assistance to LEAs eligible to receive program funds.

### **III-B-4. How does an SEA award RLIS funds to eligible LEAs?**

An SEA may award RLIS subgrants to eligible LEAs (*see* III-A-2) either by formula or competitively.

If an SEA awards RLIS subgrants to eligible LEAs by formula, the SEA must allocate the funds on the basis of (1) the number of children in average daily attendance in eligible LEAs within the State; *or* (2) an alternative formula that, prior to making the subgrants, the SEA demonstrates to the satisfaction of the Secretary of Education will enable the SEA to better target RLIS funds to eligible LEAs that serve the highest concentrations of children from families with incomes below the poverty line.

### **III-C. LOCAL USES OF RLIS FUNDS**

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#### **III-C-1. For what purposes may an LEA use its RLIS funds?**

An LEA may use RLIS funds for:

- (1) Teacher recruitment and retention, including the use of signing bonuses and other financial incentives;
- (2) Teacher professional development, including programs that train teachers to use technology to improve teaching and to train teachers of students with special needs;
- (3) Educational technology, including software and hardware, that meets the requirements of Part D of Title II;
- (4) Parental involvement activities;
- (5) Activities authorized under the Safe and Drug-Free Schools and Communities State Grants program;
- (6) Activities authorized under Part A of Title I (Improving the Academic Achievement of the Disadvantaged); and
- (7) Activities authorized under Title III (Language Instruction for Limited English Proficient and Immigrant Students).

**III-C-2. Under Part A of Title I, an LEA is required to spend an amount equal to 20% of its Title I, Part A allocation to provide transportation for public school choice or to support supplemental educational services for students in schools identified under Section 1116 as being in need of improvement, corrective action, restructuring. May an LEA use its RLIS grant funds to meet this requirement?**

Yes.

#### **III-C-3. May an LEA use its RLIS funds to hire teachers?**

Yes. The hiring of highly qualified teachers is an allowable local activity under III-C-1. In hiring highly qualified teachers.

**III-C-4 May an LEA use its RLIS funds to support schoolwide programs?**

Yes. However, this is an authorized local activity under Title I, Part A, only to the extent that the participating school has met the statutory components for implementing schoolwide programs. (See Sec. 1114 (b) of ESEA).

**III-C-5 May an LEA use its RLIS funds to purchase computers, software or other technology equipment?**

Yes. Purchasing computers, software or other technology equipment is an allowable activity under Title II, Part D, as long as the purpose of this activity is to integrate technology effectively into curriculum and instruction in order to improve student academic achievement.

**III-C-6 Must an LEA use RLIS funds only to supplement, and not supplant, other Federal, State, and local education funds?**

Yes. An LEA must use SRSA grant funds be used only to supplement, and not supplant, other education funds.

**III-C-7 In using RLIS funds, does an LEA have to provide for the equitable participation of private school students and teachers?**

No. The equitable participation requirements in Part E of Title IX of the ESEA do not apply to funds allocated under the RLIS grant program. (*See* section 9501(b)(1) of the ESEA.)

**III-C-8. How long does an LEA have to use its RLIS grant funds?**

An LEA may obligate RLIS grant funds during the federal fiscal year for which the funds were appropriated and during the succeeding federal fiscal year. For example, FY 2002 RLIS funds were awarded for the initial period of July 1, 2002 through September 30, 2003. An LEA may carry over to the succeeding fiscal year any funds not obligated by September 30, 2003. Those fiscal year 2002 funds remain available for obligation through September 30, 2004. (The regulations at 34 CFR 76.707 provide examples of when an “obligation”



occurs for various types of activities.) An LEA may liquidate an obligation for three months after the close of the obligation period.

### **III-D. Accountability and Reporting Requirements**

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#### **III-D-1. What assessment requirements apply to LEAs participating in the RLIS program?**

LEAs participating in REAP must administer an assessment that is consistent with the assessment requirements in Sec. 1111 (b)(3) of the ESEA. Thus, an LEA that participates in REAP-Flex or receives funding under the SRSA grant program may use the assessment system that the State uses to fulfill Title I requirements to meet the REAP accountability requirements.

#### **III-D-2. What responsibilities does an SEA have regarding an LEA's continuing participation in the RLIS program?**

An SEA must review the annual assessment data provided by each LEA under the RLIS program and, after the third year of an LEA's participation in the program, determine whether the LEA meets the State's definition of adequate yearly progress (AYP). SEAs may allow an LEA that failed to make AYP to continue to receive RLIS funds only if the LEA uses the funds to carry out the improvement requirements of section 1116 of the ESEA. That section discusses the actions that LEAs must take with regard to schools that fail to make AYP.

#### **III-D-3. May an eligible LEA that fails to meet its State's definition of AYP after three years continue to receive RLIS funds?**

Yes. An LEA that fails to meet its State's definition of AYP after three years may continue to receive RLIS funds but only if the LEA agrees to use the funds to carry out the requirements of section 1116 of the ESEA.

#### **III-D-4. What information are SEAs required to report to the US Department of Education under the RLIS program?**

Each SEA that receives an RLIS grant must annually submit to the US Department of Education a report that describes –

- (1) the method the SEA used to award funds to eligible LEAs;
- (2) how LEAs and schools used RLIS funds; and
- (3) the degree of progress made by the State toward meeting the goals and objectives described in its application.

## **Appendix A – Additional Guidance on LEA Eligibility for REAP-Flex and the SRSA Grant Program**

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### **1. How does an LEA calculate average daily attendance (ADA) for purposes of REAP-Flex and the SRSA grant program?**

In order to minimize the burden on LEAs, the US Department of Education is permitting LEAs to use the ADA data that they submit to their SEAs under other programs.

### **2. What are the definitions of school locale codes 7 and 8?**

A school receives a locale code of “7” if, according to the US Census Bureau, it is located in a place that is outside of a metropolitan statistical area (MSA) and has a population of fewer than 2,500 persons.

A school receives a locale code of “8” if, according to the US Census Bureau, it is located in a place that is inside an MSA and has a population of fewer than 2,500 persons.

### **3. How does an LEA determine whether all of its schools are designated with a school locale code of 7 or 8?**

The National Center for Education Statistics (NCES) website maintains a complete listing of school locale codes. An LEA may find the locale code for each of the schools it serves at <http://www.nces.ed.gov/ccd/> Under the “Data Resources” dropdown menu select “School Locator.”

### **4. How would an LEA that exceeds the ADA limitation determine whether all of its schools are located in counties with a population density of fewer than 10 persons per square mile?**

County population density data are available on the Census website at <http://factfinder.census.gov/> To obtain specific county population density data at this web site, an LEA should:

- (1) Scroll down and click on the “FactFinder Data Sources” icon to the left;
- (2) Under the “Data Sources” cell, click on “Geographic Comparison Tables”;
- (3) Click on “Change Selection” pull-down button at the top and choose “Geography”;

- (4) Under “Select a geographic type,” select “State”;
- (5) Under “Select a geographic area,” highlight your State; and
- (6) Under “Select a table format and click ‘Show Table’”, select “State-County” and then click “Show Table.”

**5. How may an LEA that meets the ADA or population density requirement, yet serves a school with a school locale code other than a 7 or 8, establish eligibility for REAP-Flex and the SRSA grant program?**

An LEA that serves a school with a school locale code other than 7 or 8 (and otherwise meets the ADA or population density requirement) is eligible for the SRSA program (i.e., REAP-Flex and the SRSA grant program) only if it is located in an area of the State that is defined as rural by a governmental agency of the State, and the US Department of Education accepts the State’s rural designation.

The LEA would need to provide its State REAP coordinator with evidence that a governmental agency of the State defines it as rural. If the State REAP coordinator is satisfied that the LEA is in an area of the State defined as rural by a State governmental agency, the coordinator must provide the US Department of Education with the definition. If the US Department of Education believes that the definition is appropriate, it will consider the LEA eligible for the SRSA program.

**6. May the SEA be the State governmental agency that defines the area in which an LEA is located as rural?**

Yes. The SEA, or any other governmental agency of the State, may be the State governmental agency that establishes a definition of “rural” that makes an LEA eligible to participate in the SRSA program.

**7. May an LEA that was originally eligible for the SRSA program (i.e., REAP-Flex and the SRSA grant program) continue to participate in the program if its ADA increases to 600 or more students?**

No. If an LEA’s ADA increases to 600 or more (and the LEA does not otherwise meet the population density requirement), the LEA may not exercise REAP-Flex authority during the following school year or receive another SRSA grant award. However, the LEA may continue to spend the SRSA funds that it received during the period of its SRSA eligibility.

**8. May charter schools participate in the SRSA program?**

A charter school's eligibility for the SRSA program (i.e., REAP-Flex and the SRSA grant program) depends upon whether the charter school is an LEA or a school within an LEA. If a charter school is an LEA, it is eligible to participate in REAP-Flex and receive an allocation under the SRSA grant program so long as it meets the LEA eligibility criteria. A charter school that is a public school but not an LEA may participate in the program through its LEA, provided the LEA meets the SRSA eligibility criteria.

**9. Is there a list of districts that are currently eligible for the SRSA program?**

Yes. The US Department of Education developed a list of districts eligible to participate in the SRSA program (i.e., REAP-Flex and the SRSA grant program) in fiscal year 2002, and intends to update the list annually. The list is accessible on the US Department of Education's website at <http://www.ed.gov/offices/OESE/reap.html>. Under each State is a link to a spreadsheet that contains a list of the LEAs within the State that currently are eligible to participate in the SRSA program (i.e., REAP-Flex and the SRSA grant program).

## Appendix B –Comparing REAP-Flex with Transferability

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### 1. How does REAP-Flex compare to the “transferability” authority under Section 6123?

Under REAP-Flex, eligible LEAs are given flexibility in the use of certain Federal formula funds; funds are not actually transferred from one program to another. LEAs with REAP-Flex authority may use all or part of their “applicable funding” (*see* question II-B-2 of the REAP guidance) to carry out activities authorized under various Federal programs (*see* II-B-3.). While the “applicable funding” may be used for activities authorized under those programs, it is not subject to all of the rules and requirements of those programs.

Under the transferability authority, an LEA transfers funds from one program to another. (*See* Subpart 2 of Part A of Title VI of the ESEA.) In general, an LEA may transfer up to 50 percent of each fiscal year’s funds that it receives *by formula* under the following programs:

- (5) Subpart 2 of Part A of Title II (Improving Teacher Quality State Grants);
- (6) Part D of Title II (Educational Technology State Grants);
- (7) Part A of Title IV (Safe and Drug-Free Schools and Communities); and
- (8) Part A of Title V (State Grants for Innovative Programs).

(*Note:* These are the same programs subject to REAP-Flex authority.)

An LEA may transfer funds from one of the programs listed above to one or more of the other listed programs, as well as *to* its allocation under Part A of Title I. However, funds may not be transferred from Title I to other programs. An LEA that has been identified for improvement under section 1116(c)(3) of ESEA may transfer up to 30 percent of each fiscal year’s funds that it receives *by formula* under the provisions listed above, and the transferred funds must be used for LEA improvement activities consistent with section 1116 of ESEA. An LEA that has been identified for corrective action under 1116(c)(10) may not transfer any funds.

Before exercising REAP-Flex authority, an eligible LEA must notify its SEA of its intent to do so by the notification deadline established by its SEA. (*See* II-B-4.) Similarly, there is an LEA notification requirement under transferability – an LEA must notify its SEA of its intent to transfer funds at least 30 days before a transfer occurs, modify affected local plans to account for the transfer, and submit a copy of the modified plan to its SEA within 30 days of a transfer. As with the exercise of REAP-Flex authority, an LEA does not need SEA approval in order to take advantage of the transferability authority.

When an LEA transfers funds under transferability, those funds become funds of the program to which they are transferred and are subject to the rules and requirements of that program. For example, Part D of Title II requires an LEA to use at least 25 percent of its allocation under that program to provide high-quality professional development in the integration of technology into curricula and instruction. If an LEA transfers funds from other programs to supplement its allocation under Part D of Title II, those funds would be subject to the 25 percent professional development set-aside and would be included in determining the amount that the LEA must spend on high-quality professional development in the integration of technology into curricula and instruction.

On the other hand, the “applicable funding” that an LEA uses under REAP-Flex is *not* subject to all of the rules and requirements of the program under which the funds are used. For example, the funds used by the LEA under REAP-Flex to carry out activities authorized Part D of Title II would not be included in determining the amount that the LEA is required to spend on professional development in the integration of technology into curricula and instruction.

Similarly, if an LEA uses “applicable funding” under REAP-Flex to provide transportation or supplemental services under Title I, those funds do not count against the 20 percent cap in section 1116(b) on providing such services under Title I.

For more information on the transferability authority, please refer to the Transferability Guidance at <http://www.ed.gov/flexibility/#trans>.

## Appendix C – The SRSA Grant Formula

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### **1. How does the US Department of Education determine the amount of funds to be awarded to an eligible LEA under the SRSA grant program?**

For each eligible LEA, the Secretary calculates an initial allocation that is equal to \$20,000 plus \$100 for each child in average daily attendance above 50, except that no LEA may receive an initial allocation of more than \$60,000. An LEA's final allocation is equal to the initial allocation minus the total amount of funding that the LEA received *during the preceding fiscal year* under the Improving Teacher Quality State Grants, Educational Technology State Grants, Safe and Drug-Free Schools and Communities State Grants, and State Grants for Innovative Programs. (*Note:* These are also the programs that serve as the source of “applicable funding” for an LEA under REAP-Flex.)<sup>3</sup>

If the amount that Congress appropriates in any fiscal year is not sufficient to provide all eligible LEAs that submit an SRSA grant application the entire amount that they would otherwise receive by formula, the US Department of Education ratably reduces the allocation for all LEAs. Similarly, if the amount appropriated for the program is greater than amount necessary to provide each LEA with its full allocation, the US Department of Education ratably increases the allocations of all LEAs.

### **2. If an LEA received more than \$60,000 in “applicable funding” during the previous fiscal year (i.e., more than a total of \$60,000 in formula grant funds under Parts A and D of Title II, Part A of Title IV, and Part A of Title V), does it receive an SRSA grant allocation?**

No. Under the statutory formula, an eligible LEA that received more than \$60,000 in applicable funding the previous fiscal year will not receive an SRSA grant allocation. (*See* II-C-1.) However, even if it does not receive an SRSA grant award, that LEA could still exercise REAP-Flex authority. (As stated in II-A-2 and II-A-3 of the REAP guidance, the eligibility requirements are the same for both portions of the SRSA program – REAP-Flex and the SRSA grant program.)

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<sup>3</sup> In determining the fiscal year 2002 SRSA grant allocations, the Department reduced the initial allocation by the total amount an LEA received by formula for fiscal year 2001 under the ESEA prior to enactment of the No Child Left Behind Act – i.e., the Eisenhower Professional Development State Grants, the Safe and Drug-Free Schools and Communities State Grants, Innovative Education Program Strategies State Grants, and the Class Size Reduction program.



## Example 1 -- Calculating an LEA's SRSA grant award amount

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An LEA has an ADA of 368.

For fiscal year 2002, it received the following allocations under the predecessor ESEA programs listed below:

Title II, Part A . . . . .	\$2,335
Title II, Part D . . . . .	\$4,567
Title IV, Part A. . . . .	\$1,003
Title V, Part A. . . . .	<u>\$23,345</u>
TOTAL	\$31,250

### Calculation of initial allocation

- (1) Subtract 50 from ADA  
 $368 - 50 = 318$
- (2) Multiply that remainder by \$100  
 $318 \times \$100 = \$31,800$
- (3) Add \$20,000 to that product  
 $\$31,800 + \$20,000 = \$51,800$
- (4) Apply statutory cap of \$60,000, if necessary  
\$51,800 initial amount

### Calculation of estimated final allocation

Subtract from initial allocation the applicable funding received in preceding fiscal year  
 $\$51,800 - \$31,250 = \$20,550$

### Calculation of final allocation amount

- (1) Determine amount of ratable reduction (For FY 2002 award, the amount was 18%)  
 $\$20,550 \times .18 = \$3,699$
- (2) Subtract amount of ratable reduction from estimated final allocation  
 $\$20,550 - \$3,699 = \$16,851$  *final allocation*

## Example 2 -- Calculating an LEA's SRSA grant award amount

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An LEA has an ADA of 586.

For fiscal year 2001, it received the following allocations under the predecessor ESEA programs listed below:

Title II, Part A . . . . .	\$18,103
Title II, Part D. . . . .	\$6,112
Title IV, Part A. . . . .	\$21,283
Title V, Part A. . . . .	<u>\$97,888</u>

TOTAL      \$143,386

### Calculation of initial allocation

- (1) Subtract 50 from ADA  
 $586 - 50 = 536$
- (2) Multiply that remainder by \$100  
 $536 \times \$100 = \$53,600$
- (3) Add \$20,000 to that product  
 $\$53,600 + \$20,000 = \$73,600$
- (4) Apply statutory cap of \$60,000, if necessary  
\$60,000 initial allocation (\$73,600 capped at \$60,000)

### Calculation of estimated final allocation

Subtract from initial allocation the applicable funding received in preceding fiscal year  
 $\$60,000 - \$143,386 = \text{negative amount}$

### Calculation of final allocation

Since estimated final allocation is a negative number, the final allocation is \$0.

## **Appendix D – Accessing Funds Allocated under the SRSA Grant Program**

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### **1. How does an LEA access the SRSA grant funds that the US Department of Education awards?**

To access its SRSA grant funds, an LEA must use the US Department of Education's Grant Awards Payment System (GAPS), an electronic system that enables a specific, authorized LEA official to request a transfer of funds.

### **2. How does an LEA that has not previously received funds directly from the US Department of Education gain access to the GAPS system?**

An LEA seeking access to the GAPS system for the first time must complete the following forms:

- **Authorized user.** The LEA must identify a district official who will request that the US Department of Education transfer funds into the LEA's bank account. Grant notification packages included a form in which the LEA identifies the official who will access the GAPS system to request fund transfers; and
- **District bank information.** The LEA also must provide the US Department of Education with specific information on its bank account to enable the US Department of Education to transfer the funds electronically. Grant notification packages included a form that the LEA and its bank are to complete. The LEA has responsibility for returning the form to the US Department of Education.

The LEA must return the required forms with an original cover letter on LEA letterhead stationary requesting that the US Department of Education process the forms. In addition, the LEA must provide a copy of pages 1 and 2 of the SRSA grant award document that the LEA received from the US Department of Education.

### **3. Will the US Department of Education make SRSA grant awards to LEAs by check?**

No. The US Department of Education does not issue grant awards by check. When an LEA requests funds under GAPS, the funds are transferred electronically directly to the LEA's bank account. An LEA should only request funds as needed to meet

specific obligations that it has already incurred or that it will need within the next three days.

## **Appendix E – Additional Guidance on LEA Eligibility and State Applications under the RLIS Program**

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### **1. What data does the US Department of Education use to determine if an LEA meets the 20 percent poverty threshold?**

The US Department of Education uses the most recent US Census Bureau school district poverty estimates in determining district eligibility for the RLIS program.

The most recent Census data are available on the Internet at <http://www.census.gov/housing/saipe/sd97/>.

### **2. What if there are no Census poverty data for an LEA?**

A State may provide the US Department of Education with the adjusted poverty data that it uses to make its allocations to LEAs under Part A of Title I to determine the eligibility of LEAs for which Census poverty estimates are not available.

### **3. What are the definitions of school locale codes 6, 7, and 8?**

A school receives a locale code of “6” if, according to Census data, it is located in a place that is outside of a metropolitan statistical area (MSA) and has a population of at least 2,500 persons but fewer than 25,000 persons.

A school receives a locale code of “7” if, according to Census data, it is located in a place that is outside of an MSA and has a population of fewer than 2,500 persons.

A school receives a locale code of “8” if, according to Census data, it is located in a place that is inside an MSA and has a population of fewer than 2,500 persons.

### **4. May charter schools participate in the RLIS program?**

A charter school’s eligibility to participate in the RLIS program depends upon whether the charter school is an LEA or a school within an LEA. If a charter school is an LEA, it is eligible to receive an allocation under the RLIS program so long as it meets the LEA eligibility criteria. A charter school that is not an LEA may participate in the program through its LEA, provided the LEA meets the RLIS eligibility criteria.

**5. How did SEAs apply for their RLIS grant allocations in FY2002?**

Each State that had at least one eligible LEA applied for its initial RLIS grant allocation as part of its consolidated state applications. In those applications, they identified specific, measurable goals and objectives related to improving student achievement, reducing student dropout rates, or improving other educational factors that the SEA chose to measure, and described how RLIS program funds would help the SEA meet the goals and objectives identified. In addition, the SEAs described how they would allocate funds to eligible LEAs.

**6. Will SEAs be required to re-apply for an RLIS funds allocation each year that Congress appropriates funding for the program?**

No. SEAs will not be required to re-apply for an RLIS allocation if Congress appropriates funds for the program in future years. Their initial consolidated application will serve as the basis for future awards. However, if an SEA intends to significantly change the manner in which it will award RLIS subgrants to eligible LEAs, the SEA should notify the US Department of Education of those changes. The US Department of Education will consider that notification to be a modification of the SEA's consolidated State application.

## **Appendix F –Grant Management Resources**

The following documents provide further guidance on the topic of managing US Department of Education grant awards:

*What I Should Know About ED Grants*

Available at <http://www.ed.gov/offices/OCFO/grants.html>

### OMB Circulars:

A-21-- Cost Principles for Educational Institutions

A-87 Cost Principles for State, Local and Institutions

A-133 Audits of States, Local Governments, and Non-Profit Organizations

Available at <http://www.whitehouse.gov/omb/circulars>

*GAPS User's/Payee Guide* [Recipients only--requires access code]

Available at <https://e-grants.ed.gov/gapsweb/epWelcome.asp>